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VIA EMAIL

Ms. Margaret Alkon
ORC-2
United States Environmental Protection Agency
Region 9
75 Hawthorne Street
San Francisco, CA 94105

**Re: BHP Billiton LNG International Inc.
Cabrillo Port**

Dear Margaret:

Included with this electronic transmission please find a copy of the updated modeling report that was prepared by Sierra Research on behalf of BHP Billiton LNG International Inc. ("BHP") for the proposed Cabrillo Port project (the "Project"). This report, dated July 5, 2006, reflects changes that have occurred to the project description in response to the EIR/EIS process. Specifically, the report reflects increased crew boat usage and increased short term submerged combustion vaporizer ("SCV") operation. More detail follows on both points. The result of these changes is a small increase in emissions, but ambient impacts are still considerably below the ambient standards.

The project description previously stated that the crew boat will conduct approximately 3.5 round trips per week between the shore and the FSRU. In response to comments regarding facility security, BHP has agreed as a mitigation measure to utilize the crew boat to patrol the FSRU safety zone while the two tugs are engaged in docking a LNG carrier. As a result, the crew boat will now be required to make five round trips per week between the FSRU and Port Hueneme. This causes a small increase in emissions attributable to the crew boat. For example, NOx emissions from the crew boat in District waters are predicted to increase by approximately 220 pounds per year. These emission changes are documented in the revised emission spreadsheets also included with this transmission.

In addition, BHP is clarifying that the maximum utilization of four SCVs (or the equivalent of four SCVs) is based on annual average operations. The daily natural gas export



Ms. Margaret Alkon
July 6, 2006
Page 2

rate on an annual average basis will be approximately 800 MMscf/day (the export capacity of four SCVs). However, BHP anticipates that there will be times when demand is critical and the gas company will want higher short term flows. This means that under unusual circumstances for up to 6 hours per day the FSRU could be exporting as much as 62.5 MMscf/hr. On an unusually high demand day, Cabrillo Port could be called upon to export as much as 1.2 Bscf/day. As part of the revised modeling report BHP has increased the SCV combustion emissions to reflect the anticipated short term variations in flow. This revision has no impact on the long term standards, such as the NO₂ ambient air quality standard.

BHP's updated modeling analysis demonstrates that Cabrillo Port will not cause or contribute to an exceedance of any ambient air quality standard or increment.

Please do not hesitate to contact me if you have any questions.

Sincerely,

Thomas R. Wood

TRW:nh

cc (by email): Renee Klimczak
Rick Abel
Joe Lapka